

**Introduced by Senator Hernandez**

February 10, 2014

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An act to amend Section 1380.3 of, and to add Sections 1380.4, 1380.5, and 1380.6 to, the Health and Safety Code, relating to health care coverage.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 964, as introduced, Hernandez. Health care service plans: medical surveys.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. Existing law establishes the California Health Benefit Exchange for the purpose of facilitating the enrollment of qualified individuals and small employers in qualified health plans.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires the department to periodically conduct an onsite medical survey of the health delivery system of each plan. Existing law exempts a plan that provides services solely to Medi-Cal beneficiaries from the survey upon submission to the department the medical survey audit conducted by the State Department of Health Care Services as part of the Medi-Cal contracting process.

This bill would specify that a plan that provides services solely to Medi-Cal beneficiaries is not exempt from the medical survey with respect to quality management, utilization review, timely access, network adequacy, and any other requirements related to access and availability, except as specified. The bill would require a plan that

provides services to Medi-Cal beneficiaries, except for a plan that serves Medi-Cal beneficiaries exclusively, and a plan that provides services to enrollees in the California Health Benefit Exchange to be surveyed separately with respect to those products. The bill would also require a plan that provides services to Medi-Cal beneficiaries through specified programs to be surveyed annually with respect to those products until 5 years after completion of initial enrollment in those products, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1380.3 of the Health and Safety Code is  
2 amended to read:

3 1380.3. (a) Notwithstanding Section 1380, ~~any~~ *and except as*  
4 *provided in subdivision (b), a plan that provides services solely to*  
5 *Medi-Cal beneficiaries pursuant to Chapter 8 (commencing with*  
6 *Section 14200) of Part 3 of Division 9 of the Welfare and*  
7 *Institutions Code shall not be subject to the requirements of Section*  
8 *1380 upon the submission to the director of the medical survey*  
9 *audit for the same period conducted by the State Department of*  
10 *Health Care Services as part of the Medi-Cal contracting process,*  
11 *unless the director determines that an additional medical survey*  
12 *audit is required.*

13 *(b) A plan that provides services solely to Medi-Cal beneficiaries*  
14 *pursuant to Chapter 8 (commencing with Section 14200) of Part*  
15 *3 of Division 9 of the Welfare and Institutions Code shall not be*  
16 *exempt from Section 1380 with respect to quality management,*  
17 *utilization review, timely access, network adequacy, and any other*  
18 *requirements related to access and availability unless the*  
19 *department and the State Department of Health Care Services*  
20 *jointly make a public determination that the medical survey audit*  
21 *for the same period conducted by the State Department of Health*  
22 *Care Services as part of the Medi-Cal contracting process assures*  
23 *compliance with the access and availability requirements of this*  
24 *chapter.*

25 SEC. 2. Section 1380.4 is added to the Health and Safety Code,  
26 to read:

1 1380.4. (a) A plan that provides services to Medi-Cal  
2 beneficiaries pursuant to Chapter 8 (commencing with Section  
3 14200) of Part 3 of Division 9 of the Welfare and Institutions Code  
4 shall be surveyed under Section 1380 separately with respect to  
5 those products in order to determine whether the services received  
6 by Medi-Cal beneficiaries through those products comply with the  
7 requirements of this chapter.

8 (b) If a plan provides services solely to Medi-Cal beneficiaries  
9 pursuant to Chapter 8 (commencing with Section 14200) of Part  
10 3 of Division 9 of the Welfare and Institutions Code, compliance  
11 with Section 1380.3 shall satisfy the requirements of this section.

12 SEC. 3. Section 1380.5 is added to the Health and Safety Code,  
13 to read:

14 1380.5. A plan that provides services to enrollees in the  
15 California Health Benefit Exchange pursuant to Title 22  
16 (commencing with Section 100500) of the Government Code shall  
17 be surveyed separately under Section 1380 with respect to those  
18 products in order to determine whether the services received by  
19 those enrollees through the products comply with the requirements  
20 of this chapter.

21 SEC. 4. Section 1380.6 is added to the Health and Safety Code,  
22 to read:

23 1380.6. Notwithstanding Section 1380.3, a plan that enrolls  
24 Medi-Cal beneficiaries as a result of any of the following shall be  
25 surveyed annually under Section 1380 with respect to those  
26 products until five years after the completion of initial enrollment  
27 under those products:

28 (a) The transition of Healthy Families Program enrollees to the  
29 Medi-Cal program pursuant to Chapter 16.2 (commencing with  
30 Section 12694.1) of Part 6.2 of Division 2 of the Insurance Code.

31 (b) Article 2.82 (commencing with Section 14087.98) of Chapter  
32 7 of Part 3 of Division 9 of the Welfare and Institutions Code.

33 (c) Section 14182 of the Welfare and Institutions Code.

34 (d) Section 14182.16 or 14232.275 of the Welfare and  
35 Institutions Code.